



Department Of Insurance

P.O. Box 517
Frankfort, Kentucky 40602-0517
(502) 564-3630

GEORGE NICHOLS III
COMMISSIONER

PAUL E. PATTON
GOVERNOR

Thursday, December 7, 2000

For Immediate Release

Contacts: Roger Snell, Department of Insurance, (502) 564-6098

Insurance Commissioner George Nichols III publicly announces resignation effective 12/31;

Credits Gov. Patton and legislators, says serving Kentuckians was "honor and privilege"

FRANKFORT, KY. – Insurance Commissioner George Nichols III publicly announced today that he will leave the Department of Insurance at the end of this year, after four years and eight months as the chief regulator of Kentucky's \$10 billion insurance industry.

In an emotional farewell late Wednesday, Nichols first informed the department's 180 employees of his decision. "I never had a job before where I could do so much for people who needed help," Nichols told his staff, many in tears, who led a standing ovation.

During his tenure, Nichols turned to the General Assembly to help him with initiatives to create the Consumer Protection and Education Division which now handles 2,000 calls and complaints a month from consumers and has recovered millions of dollars on behalf of Kentuckians. The Insurance Fraud Investigation Division also was created by Nichols and has handled a number of high-profile criminal investigations leading to felony convictions.

Nichols credited Gov. Paul Patton for his constant support and courage in allowing him to "always do what was right" as a regulator.

Nichols said he has pending offers from out-of-state companies involved in insurance and financial services and will make a final decision by Christmas.

Gov. Patton will announce the department's next commissioner in the "near future." Gov. Patton said: "I'm grateful, as are the citizens of the Commonwealth, for the leadership, service and sacrifice that George Nichols has provided the state. He is one of Kentucky's best and brightest and we were fortunate in state government to have such a talented individual to guide us in our efforts to provide the opportunity for quality, affordable health insurance for all Kentuckians. George will be missed but we wish him all the best as he moves forward in his career."

(more)

Nichols, 40, was born in Bowling Green, Ky., and resides in Shelbyville with his wife C.J. and three children.



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Nichols expressed gratitude for the bipartisan support he repeatedly received from the General Assembly. “They responded to us on the important issues affecting their constituents,” Nichols said. He highlighted key laws that included the nation’s earliest laws on regulating the viatical industry, passage of the nation’s first model agent licensing law, and adoption of Kentucky Access and consumer protections in health insurance that include external appeals review in disputed claims.

In addition, Nichols was responsible for elimination of the annuities tax, dramatic beefing up of the market conduct staff that has doubled the number of company exams per year, and oversight of insurance company insolvencies such as Kentucky Central Life, Delta Re, MedQuest, Advantage Care and First Mutual.

“It was an honor and privilege to serve Kentucky and we owe the department’s tremendous success and support to the governor, legislature and the dedicated men and women of the Department of Insurance,” Nichols said.

Nichols said he tried everything he could to promote the department to consumers who needed help, by holding town forums all four years throughout the state, creating a toll-free consumer hotline, dramatically expanding consumer information through publications and the Internet, and through community outreach with a department ombudsman.

Nichols said his greatest and constant challenge as insurance commissioner was managing the health insurance crisis. “I’m not sure people realize how much we have had to manage this crisis, especially in the individual market where we’ve only had two insurers,” Nichols said.

Kentucky Access, which opened for business Wednesday, “is a major step in stabilizing the individual health insurance market because insurers are coming back, bringing more competition and choices for Kentucky consumers and helping individuals with high-cost medical conditions,” Nichols said.

Nichols served the past three years as a national officer for the National Association of Insurance Commissioners, including 1998 as secretary-treasurer, 1999 as vice president and 2000 as its president. He was the first African-American president in the NAIC’s 120-year history and was Kentucky’s first African-American insurance commissioner.

His term as president ended Tuesday. Highlights of the one-year term included: a \$200 million national settlement with American General involving acquired companies with a history of pricing life and burial insurance policies based on race; announcement during a *Dateline NBC* investigative report of the launching of a multi-state, targeted market conduct exam of State Farm; and leadership of a nationally unified effort by state regulators to respond to dramatic changes in the global market of insurance and financial services by passing a statement of intent to seek more uniformity and multi-state coordinated efforts as regulators.